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ARIZONA LABOR MARKET INFORMATION

NEWSLETTER

Vol. XIII No. 10
October 1989

Unemployment Rate

Seasonally Adjusted
August*

ARIZONA	-	5.9%
Maricopa County	-	4.9%
Pima County	-	5.2%
UNITED STATES	-	5.2%

Consumer Price Index

U.S. - August 1989
Base = 1982-84

Wage Earner/Clerical Worker	-	123.2
% Chg. Year Ago	-	4.7
All Urban	-	124.6
% Chg. Year Ago	-	4.7

Phoenix - 3rd Qtr 1989
Base = 1982-84

All Urban	-	127.0
% Chg. Year Ago	-	5.0

Tucson - 3rd Qtr 1989
Base = 1982-84

All Urban	-	124.3
% Chg. Year Ago	-	2.1

* Preliminary

Keeping Up With Average Pay

Arizona's Workers may be Losing Race, p. 2

Inside This Issue

State, Metro Areas Lag Pay Average 2
Widening Pay Gap Analyzed 7
State's Personal Income Growing at Reduce Pace 8
Program Launched to Aid Economic Development 9
The Arizona Labor Force in September 9
Arizona Labor Force Statistics 10
New Developments 18

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

State, Metro Areas Continue to Lag Pay Average

'88 Wage Growth in Arizona, Two Largest Counties Follows Decade-Long Pattern

Average annual pay in Arizona, as well as in the state's two largest metropolitan areas, failed to keep pace with national averages in 1988 -- a consistent trend during the 1980s -- according to preliminary data released by the Department of Labor's Bureau of Labor Statistics (BLS).

Pay for workers in the state rose 3.9 percent over-the-year, compared to an average increase of 4.9 percent for the 50 states and the District of Columbia (Table 1). Pay for workers in the metropolitan Phoenix and Tucson areas, meanwhile, rose 4.0 percent and 2.9 percent in 1988, respectively, compared to an average increase of 5.1 percent for 318 U.S. metropolitan areas[1] (Table 2).

> ***... by 1988 the Phoenix area had dropped to 6.5 percent below the national average, while workers in the Tucson area fell precipitously, to 19.5 percent below the national average.***

Arizona workers' pay averaged $20,383 last year, compared to $19,610 in 1987, placing the state 24th among other states and Washington D.C., down from 21st in 1987. The national average for pay in 1988 was $21,871, up from $20,383 in 1987.

In this decade the gap in average annual pay between Arizona and all states has steadily grown from -$565 in 1980 to -$1,488 in 1988 (Figure 2). Or to put it in simpler terms, Arizona workers' pay increased 48 percent (6 percent annually) during that period, compared to 52 percent (6.5 percent annually) for workers nationally.

Average annual pay for workers in metropolitan Phoenix last year was $21,438, up from $20,612 in 1987, while Tucson workers averaged $19,106 in 1988, compared to $18,566 the previous 12 months. The state's two metropolitan statistical areas (MSAs), however, continued in 1988 to lag the overall average for metropolitan areas, while they dropped several places in rankings from 1987.

And the gap in pay between the Tucson and Phoenix MSAs and the national average for metropolitan areas has steadily widened during the '80s, particularly the Tucson MSA (See "Goods-Producing Sector's Smaller Share of State's W&S Employment ...," page 7). In 1980, the Phoenix MSA was $637 behind the average for all metropolitan areas; by 1988, the gap had more than doubled, to $1,321. Tucson, meanwhile, trailed the national average for metropolitan areas by $1,321 in 1980; by last year, the difference had jumped to $3,727, an increase of 65 percent.

Another way to look at it is that workers in the Phoenix metro area were 5.2 percent behind the national average in 1980, while workers in the Tucson metro area were 9.9 percent

(Continued on page 5)

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Table 1. Average Annual Pay by State, 1987-88 [1]

State	Average Annual Pay 1988[2]	1987	Rank by Pay 1988	1987	Pct. Change 1987-1988[3]
OVERALL	$21871	$20857	—	—	4.9
Alabama	19003	18316	36	36	3.7
Alaska	29033	29006	2	2	.1
Arizona	20383	19610	24	21	3.9
Arkansas	17023	16629	47	46	2.3
California	24124	23100	8	6	4.4
Colorado	21472	20748	15	11	3.1
Connecticut	28244	24322	4	4	7.9
Delaware	21977	20764	11	10	5.8
Washington D.C.	30254	28477	1	1	6.2
Florida	19520	18674	29	32	4.5
Georgia	20501	19661	21	20	4.3
Hawaii	20414	19084	22	25	7.1
Idaho	17647	17062	45	45	3.4
Illinois	23606	22250	9	9	6.1
Indiana	20437	19692	23	19	3.8
Iowa	18640	17316	44	43	5.0
Kansas	19039	18424	35	35	3.3
Kentucky	18545	18006	40	38	3.0
Louisiana	19320	18707	31	31	3.3
Maine	18347	17447	41	42	5.2
Maryland	22600	21320	10	10	5.5
Massachusetts	24149	22484	7	8	7.4
Michigan	24193	23081	6	7	4.8
Minnesota	21481	20450	14	15	5.0
Mississippi	16522	15936	49	50	3.7
Missouri	20296	19601	25	22	3.5
Montana	16857	16436	48	48	3.2
Nebraska	17190	16526	46	47	4.0
Nevada	20556	19521	20	23	5.3
New Hampshire	20749	19414	19	24	6.9
New Jersey	25748	23642	5	5	8.9
New Mexico	18259	17767	42	40	2.8
New York	25347	24684	3	3	7.0
North Carolina	18962	17861	39	39	4.5
North Dakota	18506	18157	50	49	2.2
Ohio	21,500	20568	12	13	4.5
Oklahoma	19096	18615	33	33	2.6
Oregon	19637	18886	28	27	4.0
Pennsylvania	21495	20406	13	16	5.3
Rhode Island	20206	18856	26	28	7.1
South Carolina	18009	17260	43	44	4.2
South Dakota	15424	14963	51	51	3.1
Tennessee	19209	18501	32	34	3.8
Texas	21190	20463	16	14	3.5
Utah	18919	18303	37	37	3.3
Vermont	18640	17702	38	41	5.3
Virginia	21052	19963	17	18	5.5
Washington	20806	20110	18	17	3.5
West Virginia	18341	18820	30	29	2.5
Wisconsin	19743	18890	27	26	4.5
Wyoming	19097	18817	34	30	1.5

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Aug. 1989

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

Table 2. Average Annual Pay by Metropolitan Area, 1987-88

Metro Area	Average Annual Pay 1988[3]	Average Annual Pay 1987	Rank by Pay 1988	Rank by Pay 1987	Pct. Change 1987-1988[4]
OVERALL	$22833	$21722	—	—	5.1
Albuquerque	19719	19162	166	149	2.9
Anchorage	28715	28496	4	1	-.9
Atlanta	23440	22428	39	33	4.5
Baltimore	22242	20976	55	65	6.0
Birmingham	20775	19917	109	110	4.3
Boise	20236	19371	136	139	4.5
Boston	25731	23888	16	19	7.7
Buffalo	20319	19324	129	142	5.1
Charleston, S.C.	17927	17167	246	251	4.4
Charleston, W.V.	20753	20352	111	95	2.0
Cheyenne	18371	18103	228	206	1.5
Chicago	25669	24058	17	17	6.8
Cincinnati	21976	21150	61	57	3.9
Cleveland	23051	21986	45	42	4.8
Dallas	24463	23624	22	21	3.6
Denver	23841	22986	32	26	3.3
Des Moines	20302	19369	130	138	4.7
Detroit	26602	25301	12	9	5.1
El Paso	16731	15747	296	296	3.8
Hartford	25787	24151	15	15	6.8
Honolulu	21196	19718	87	123	7.5
Houston	24410	23509	24	24	3.8
Indianapolis	21877	21061	65	58	3.8
Kansas City	21596	20848	75	70	3.6
Las Vegas	20368	19359	128	140	5.2
Los Angeles	26011	25006	14	11	4.0
Louisville	20048	19446	145	134	3.1
Memphis	20371	19709	127	124	3.4
Miami	21882	20986	66	64	4.2
Milwaukee	21800	20838	70	71	4.6
Minneapolis-St. Paul	23618	22385	33	35	5.5
New Orleans	20369	19766	125	119	3.0
New York City	30578	28179	1	2	8.5
Oklahoma City	19998	19534	147	131	2.4
Omaha	19174	18461	159	190	3.9
Peoria	22713	21205	49	54	7.1
Philadelphia	23896	22447	28	32	6.4
Phoenix	21438	20612	84	80	4.0
Pittsburgh	21945	21019	63	63	4.4
Portland, Ore.	21,444	20584	82	85	4.2
Providence	20069	18696	143	179	7.4
Raleigh-Durham	21210	20366	96	94	4.1
Reno	20429	19563	122	130	4.4
Sacramento	21997	21047	64	61	4.2
Salt Lake City, Ogden	19498	18856	174	170	3.4
San Diego	22183	21061	57	60	5.4
San Francisco	27859	26594	5	5	4.8
Seattle	23436	22543	40	31	4.0
St. Louis	22795	21793	48	46	4.3
Tampa-St. Petersburg	18713	17911	210	215	4.5
Tucson	19106	18566	194	188	2.9
Wichita	21547	20867	79	68	3.1

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Sept. 1989

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as of June 30, 1988.
3. Data are preliminary.
4. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

(Continued from page 2)

under the national rate. But by 1988 the Phoenix area had dropped to 6.5 percent below the national average, while workers in the Tucson area fell precipitously, to 19.5 percent below the national average.

As might be expected, based on 1988 state and metropolitan area figures, Arizona's industrial sectors did not fare well in comparison to the national averages for percentage increases in annual pay last year. With the exception of mining and manufacturing, all sectors in the state were below the national rates, and in most cases, significantly lower (Table 3). The overall gain in average annual pay in the state's industrial sectors was 4.2 percent, compared to 5.0 percent for all states and Washington D.C.

Table 3. Private Industry and Government Average Annual Pay, Arizona vs. United States, 1987-88

	Average Annual Pay		Pct. Change
	[illegible]	1987	1987-88
ARIZONA			
Private[4]			
Mining	$35890	$29297	22.5
Construction	21175	20445	3.6
Manufacturing	27441	26109	5.1
Transportation, Communications, and Public Utilities	26286	26336	8.8
Wholesale Trade	24842	23819	4.3
Retail Trade	12058	11741	2.7
Finance, Insurance and Real Estate	24249	23680	2.5
Services	18516	17528	5.6
Overall	19858	19049	4.2
Government:			
Overall	23022	22481	2.4
UNITED STATES			
Private[4]			
Mining	$34341	32960	4.2
Construction	24492	22129	5.8
Manufacturing	28918	28670	4.9
Transportation, Communications and Public Utilities	28201	27404	2.9
Wholesale Trade	27843	26038	7.0
Retail Trade	11985	11518	3.9
Finance, Insurance and Real Estate	27881	26091	6.8
Services	19994	18915	5.7
Overall	21849	20821	5.0
Government:			
Overall	23021	22063	4.8

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Aug. 1988

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.
4. Excludes data for industries in addition to those shown separately.

The over-the-year jump in mining pay -- from $29,297 to $35,890 -- was due primarily to bonuses paid by several large mining companies, which were triggered by an increase in copper prices and production quotas. The price-linked bonus clauses were negotiated by unions in 1986 when union members agreed to 15 to 20 percent concessions in wages and benefits in order to protect their jobs and communities.

Looking at the nation as a whole, as in 1987, workers in the District of Columbia led all states with average annual pay of $30,254, followed by Alaska -- on top from the early 1970s through 1986 -- with $28,033. South Dakota had the lowest average annual pay at $15,424, followed by North Dakota at $16,508.

(Continued on page 6)

(Continued from page 5)

New Jersey, meanwhile, led the nation in percentage increase with a gain of 8.0 percent. Alaska posted the smallest increase at 0.1 percent.

As far as metropolitan areas, New York City led the nation with average annual pay of $30,578, while McAllen-Edinburg-Mission, Texas, recorded the lowest average in 1988 at $13,449.

Bergen-Passaic, N.J, led all metropolitan areas in percentage growth from 1987 to 1988 with a jump of 9.9 percent. Odessa, Texas, had the largest decrease at 4.7 percent.

BLS data on average annual pay are compiled from federal and state Unemployment Insurance (UI) payroll reports on workers in 104 million jobs, 91 percent of the total civilian work force. Included in the pay totals are bonuses, cash value of meals and lodging, tips and other gratuities, and employer contributions to certain deferred compensation plans.

Major exclusions from these data include: most agricultural workers on small farms; all members of the military; most elected officials, railroad employees, domestic workers, and student workers at schools; employees of certain small nonprofit organizations; self-employed individuals; and all unpaid members of a family business.

Average annual pay is determined by dividing total annual pay of full- and part-time employees by the average monthly number of employees. Caution is advised when using these data, however, as certain factors can skew pay averages. Among these are ratio of full-time to part-time workers and number of individuals in high-paying and low-paying occupations.

--Brent Fine
Arizona LMI Newsletter Editor

1. Metropolitan areas are defined as either metropolitan statistical areas (MSAs) or primary metropolitan statistical areas (PMSAs). An MSA is a city that has at least 50,000 in population within its corporate limits, or contains a U.S. Bureau of the Census-defined "urbanized area" of at least 50,000 in population and has a total population of at least 100,000. A PMSA is an area of 100,000 in population -- within an MSA of at least 1 million population -- which has at least 60 percent of the population urban and with less than 50 percent of the resident

(Continued from page 7)

Phoenix MSA was more pronounced than nationally during the '80s, it probably accounts for the Phoenix MSA's inability to keep pace with increases in average annual pay for metropolitan areas; albeit, a less severe problem than the Tucson MSA experienced.

The state as a whole, meanwhile, nearly mirrored the Phoenix MSA during the '80s -- in terms of a higher proportion of service-producing jobs than the national average and the increase in the proportion of service-producing employment (75.1 percent in 1980 to 79.0 percent in 1988, a 5.2 percent rise). And as might be expected, average annual pay in Arizona showed a similar pattern of slow, but steady divergence from the national average.

Finally, inflation -- as measured by the Consumer Price Index (CPI) -- did not play a role in Arizona's two MSAs failing to keep up with pay on a national level.

Between 1980 and 1988, the All-Urban CPI, which covers all major U.S. metropolitan areas, rose 43.6 percent (5.45 percent annually).[2] For the same period, CPI for the Phoenix metropolitan area rose 43.8 percent (5.5 percent annually)[3]. And from 1984 to 1988 -- when the largest part of the pay gap between the national MSA average and the Tucson MSA was recorded -- the U.S. CPI rose 13.9 percent (2.8 percent annually), while CPI for the Tucson metropolitan area increased 15.5 percent (3.1 percent annually).[4] (Since there is no state CPI, a comparison to the U.S. inflation rate cannot be made.)

--Brent Fine
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Goods-Producing Sector's Smaller Share of State's W&S Employment Main Cause of Widening Pay Gap

The goods-producing industries' shrinking percentage of wage and salary employment in Arizona appears to be the major reason for the widening gap in average annual pay between the Phoenix and Tucson metropolitan statistical areas (MSAs) -- as well as the state as a whole -- and national averages during the 1980s. Inflation, however, was not a factor in this decade-long trend.

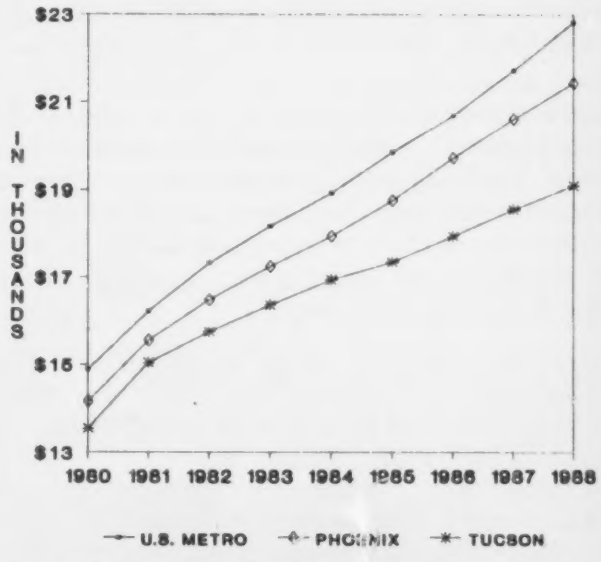
In Pima County, a dramatic decrease in mining employment during the '80s, along with significant cuts in recent years by large manufacturers appears to have played a major role in slower wage growth. Employment in mining, which has the highest wages of any industry in the state, shrunk from 6,700 in 1980 to 1,800 (72 percent) in 1988[1]. Add to that the loss of more than 2,000 jobs from Hughes Aircraft , International Business Machines and other manufacturers in the past two years, and together they probably account for a major portion of the slow pay growth in the Tucson MSA compared to the national average.

Another factor influencing slow wage growth in the Tucson MSA was the larger role of the service-producing sector -- partially brought on by the decrease in mining and manufacturing employment -- which pays lower wages than the goods-producing sector.

In 1980, the service-producing sector (transportation, communication and public utilities; trade; finance, insurance and real estate; services; and government) made up 67.2 percent of wage and salary employment in the Tucson MSA, compared to 32.8 percent for the goods-producing sector (manufacturing, mining, and construction). By last year, however, the service-producing sector had grown to 76.2 percent (13.4 percent increase) of the Tucson MSA, while the goods-producing sector dropped to 23.8 percent. At the same time, the service-producing sector nationally was increasing one-half as fast -- from 71.6 percent in 1980 to 76.1 percent in 1988 (6.3 percent increase) -- while the goods-producing sector declined from 28.4 percent to 23.9 percent.

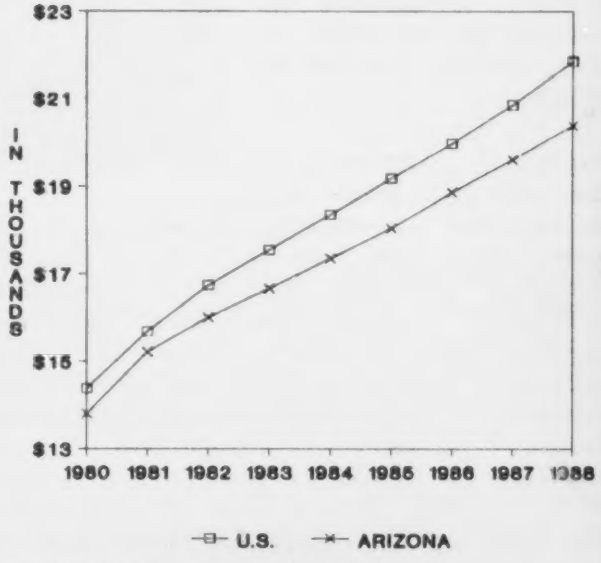
During the same period, increases in the proportion of service-producing jobs were less dramatic in the Phoenix MSA -- 74.1 percent (1980) to 78.2 percent (1988), a 5.5 percent rise. Nevertheless, since service-producing wage and salary employment in the

(Continued on page 6)



Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Sept. 1989

Figure 1. Average Annual Pay, U.S. Metro vs. Phoenix and Tucson MSAs, 1980-88



Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Aug. 1989

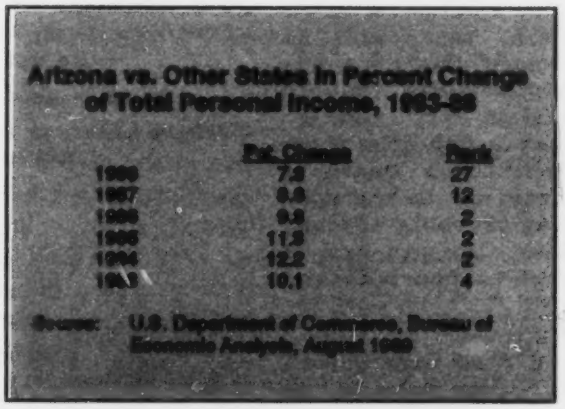
Figure 2. Average Annual Pay, United States vs. Arizona, 1980-88

State's Personal Income Growing at Reduced Pace

Smaller employment increases, low inflation partly responsible for fall in '87, '88 rankings

The most widely used indicators to measure the health of an economy are job growth, unemployment rates, inflation rates, and growth rates in personal and per capita income. This article will use personal income statistics to measure the strength of the Arizona economy

Personal income (PI) in Arizona rose from $48.7 billion in 1987 to $52.2 billion in 1988, according to recently released statistics by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). However, on a percentage basis, the over-the-year increase was modest compared to the lofty heights of the past several years.


Arizona vs. Other States in Percent Change of Total Personal Income, 1983-88
Pct. Change
Rank
1988 7.3 27
1987 8.6 12
1986 9.8 2
1985 11.3 2
1984 12.2 2
1983 10.1 4
Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 1989

Personal income is the sum of wage and salary disbursements, other labor income, farm and non-farm proprietors' income, rental income, personal dividend income, personal interest income, and transfer payments less personal contributions for social insurance. Wage and salary disbursements, however, comprise about two-thirds of total personal income.

The rise of $3.5 billion in Arizona PI from 1987 to 1988 translated into a 7.3 percent growth rate, compared to the US average of 7.6 percent. This made Arizona slide in rankings of other states' growth rates from 12th in 1987 to 27th in 1988. Arizona's PI growth rate in 1988 was, however, the highest among other southwestern states (New Mexico, Oklahoma, and Texas).

In each of the last five years before 1988, Arizona's PI growth rate exceeded that of the US average by a significant margin. The last time the state's PI grew at a lower annual rate than the nation was in 1982, when it increased 5.0 percent, while the US PI grew 5.9 percent (Tables 1 and 2, and Figure 1). Indeed, Arizona ranked second in the nation in terms of PI growth for three straight years from 1984 to 1986.

Part of the slower PI growth in Arizona is attributable to the state's weaker employment growth and modest inflation which, in turn, moderates wage and salary employment gains.

Arizona enjoyed record growth in wage and salary employment following the recession of 1981-82, which was reflected in PI growth. Wage and salary employment grew 9.7 percent in 1984, followed by 8.2 percent in 1985, while PI grew 12.4 percent and 11.3 percent, respectively. But employment growth rates fell considerably in 1987 and 1988 -- to 3.6 and 1.8 percent, respectively -- accompanied by slower growth in PI (Figure 2).

Nonfarm wage and salary disbursement accounted for about 70 percent of total PI growth in 1988 Dividends, interest and rent (DIR) contributed 14.7 percent to PI in 1988 compared to 18.1 percent in 1983.

The fall in DIR's share of PI in the past few years can be attributed to an overall drop in interest rates.

(Continued on page 15)

NOICC Launches Program to Provide Data for Economic Development

In light of Arizona's recent drive to attract industry, a project to develop a microcomputer-based data system that will provide information for economic development and business and industry planning may be what the economic doctor ordered.

Being developed by the National Occupational Information Coordinating Committee (NOICC), the Economic Development and Employer Planning System (EDEP) "could make a wide variety of relevant information readily obtainable from a central source," says NOICC Executive Director Juliette N. Lester.

EDEP will be based on Occupational Information Systems (OIS), computerized databases designed by NOICC that contain mechanisms for combining multiple-source data. State OIS databases (e.g., Arizona's MICRO OIS) already provide a variety of information, including current and projected occupational employment, wage data, and the amount and type of training available.

Two modules recently developed for state OIS databases -- Training Inventory Directory and the Occupation/Industry Directory -- will likely be part of EDEP.

The Training Inventory Directory has information on education and training institutions and their program offerings, which could help employers that are either retraining workers or are relocating and would need to hire trained, skilled workers. The Occuapation/Industry Directory helps identify industries in which selected occupations occur and, where data are available, the names of companies in those industries. This would be useful for economic development because it identifies supplier industries and companies that sell to other businesses rather than directly to consumers, and locates potential markets for products.

The project's first phase will involve a thorough study that looks at the practicality, uses and potential users, content and design, and implementation of EDEP.

More information is available on EDEP by writing to: Rod Slack, EDEP Project Office, NOICC, 2100 M Street NW, Suite 156, Washington, DC 20037; or calling (202) 653-7680.

The Arizona Labor Force in September

While the national unemployment rate held steady at 5.2 percent, Arizona's seasonally adjusted unemployment rate for August rose three tenths of one percent to 5.9 percent.

The unemployment rate increase in Arizona was a result of two factors: a decrease of 5,400 workers in the labor force and an increase of 4,900 among the ranks of the unemployed. This translates into a decrease of total employment by 10,300 and represents the largest August decline of the current expansionary phase that began in late 1982. Although this decrease appears both substantial and alarming, total employment during the previous 12 months posted a gain of more than 65,000 jobs.

Nonfarm wage and salary employment increased by 7,100 in August, outpacing the post-recession seasonal average by 2,400. The bulk of the employment gain came from instructors and other personnel returning for the fall school schedule.

The goods-producing industries gained 1,100 jobs in August. Although positive, most of the gains were in construction (800) -- of which half were in the nonmetropolitan counties -- and are expected to be lost in the months ahead. This marks the fourth consecutive month of construction gains; however, they do not offset the 3.6 percent decline experienced over the past year due to depressed occupancy rates, greater numbers of foreclosures, and a slight increase in long-term mortgage rates.

Manufacturing employment in Arizona had a less-than-seasonal gain of 200 in August. Of note, the machinery sector lost 1,300 jobs but was offset by gains in the catchall sectors of

(Continued on page 14)

Arizona Labor Force and Employment

August 1989 (in thousands)

	ARIZONA				
				Amount Change	
	Aug.* 1989	July 1989	Aug. 1988	July-Aug.	1988-1989
TOTAL CIVILIAN LABOR FORCE**	1716.9	1722.3	1659.3	-5.4	+57.6
Total Unemployment	110.5	105.6	118.4	+4.9	-7.9
Rate	6.4	6.1	7.1	----	----
Rate (Sea. Adj.)***	5.9	5.6	6.4	----	----
Total Employment	1606.4	1616.7	1540.9	-10.3	+65.5

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1401.2	1394.1	1381.5	+7.1	+19.7
Manufacturing	189.7	189.5	190.6	+0.2	-0.9
Durable Goods	144.3	144.7	147.1	-0.4	-2.8
Stone, Clay, and Glass	7.5	7.6	7.6	-0.1	-0.1
Primary and Fabricated Metals	15.9	15.7	15.6	+0.2	+0.3
Primary Metals	7.4	7.4	7.4	+0.0	+0.0
Fabricated Metals	8.5	8.3	8.2	+0.2	+0.3
Machinery	62.6	63.9	66.6	-1.3	-4.0
Other Durable Goods	58.3	57.5	57.3	+0.8	+1.0
Aircraft and Missiles	26.1	26.0	26.3	+0.1	-0.2
Lumber and Wood Product (Excluding Furniture)	8.7	8.6	8.4	+0.1	+0.3
All Other Durable Goods	23.5	22.9	22.6	+0.6	+0.9
Nondurable Goods	45.4	44.8	43.5	+0.6	+1.9
Food and Kindred Products	10.0	9.9	9.3	+0.1	+0.7
Apparel	4.5	4.5	4.5	+0.0	+0.0
Printing and Publishing	17.0	16.9	16.7	+0.1	+0.3
All Other Nondurable Goods	13.9	13.5	13.0	+0.4	+0.9
Mining and Quarrying	12.2	12.1	12.3	+0.1	-0.1
Copper Mining	9.2	9.1	9.1	+0.1	+0.1
Other Mining and Quarrying	3.0	3.0	3.2	+0.0	-0.2
Construction	92.3	91.5	95.7	+0.8	-3.4
Trans., Communications, & Public Utilities	73.4	73.7	72.0	-0.3	+1.4
Transportation	38.4	38.1	36.2	+0.3	+2.2
Communications and Public Utilities	35.0	35.6	35.8	-0.6	-0.8
Trade	356.1	356.1	341.9	+0.0	+14.2
Wholesale Trade	68.6	68.9	66.5	-0.3	+2.1
Retail Trade	287.5	287.2	275.4	+0.3	+12.1
General Merchandise and Apparel	44.8	44.5	41.8	+0.3	+3.0
Food Stores	47.9	48.3	45.7	-0.4	+2.2
Automotive and Service Stations	36.2	36.1	34.2	+0.1	+2.0
Eating and Drinking Places	99.1	99.5	96.5	-0.4	+2.6
Other Retail Trade	59.5	58.8	57.2	+0.7	+2.3
Finance, Insurance, and Real Estate	92.3	92.2	92.8	+0.1	-0.5
Services and Miscellaneous	365.4	366.4	358.7	-1.0	+6.7
Hotels and Other Lodging Places	40.6	41.2	38.6	-0.6	+2.0
Business Services	76.9	76.9	78.0	+0.0	-1.1
Health Services	92.8	92.9	91.2	-0.1	+1.6
Other Services	155.1	155.4	150.9	-0.3	+4.2
Government	219.8	212.6	217.5	+7.2	+2.3
Federal	42.8	42.3	43.8	+0.5	-1.0
State and Local	177.0	170.3	173.7	+6.7	+3.3
School	82.6	75.1	84.2	+7.5	-1.6

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

Arizona Labor Force and Employment

August 1989 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Aug.* 1989	July 1989	Aug. 1988	July-Aug.	1988-1989	Aug.* 1989	July 1989	Aug. 1988	July-Aug.	1988-1989
1066.0	1074.5	1033.4	-8.5	+32.6	324.9	322.3	311.1	+2.6	+13.8
54.2	51.7	57.2	+2.5	-3.0	17.1	15.8	17.2	+1.3	-0.1
5.1	4.8	5.5	---	---	5.3	4.9	5.5	---	---
4.9	4.7	5.4	---	---	5.2	4.8	5.4	---	---
1011.8	1022.8	976.2	-11.0	+35.6	307.8	306.5	293.9	+1.3	+13.9

t Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

923.9	922.9	915.3	+1.0	+8.6	244.3	240.6	239.5	+3.7	+4.8
139.5	139.1	138.7	+0.4	+0.8	28.0	28.4	30.4	-0.4	-2.4
107.8	107.8	108.2	+0.0	-0.4	22.1	22.5	24.6	-0.4	-2.5
4.7	4.7	5.1	+0.0	-0.4					
10.6	10.4	10.4	+0.2	+0.2					
51.8	52.4	52.9	-0.6	-1.1					
40.7	40.3	39.8	+0.4	+0.9					
31.7	31.3	30.5	+0.4	+1.2	5.9	5.9	5.8	+0.0	+0.1
6.3	6.3	6.0	+0.0	+0.3					
3.5	3.5	3.4	+0.0	+0.1					
12.0	11.9	11.8	+0.1	+0.2					
9.9	9.6	9.3	+0.3	+0.6					
0.9	0.8	0.7	+0.1	+0.2	2.1	2.1	1.8	+0.0	+0.3
61.8	61.6	65.9	+0.2	-4.1	16.7	16.5	17.1	+0.2	-0.4
51.2	51.2	50.0	+0.0	+1.2	9.6	9.9	9.0	-0.3	+0.6
28.1	27.8	26.5	+0.3	+1.6	4.9	4.9	4.6	+0.0	+0.3
23.1	23.4	23.5	-0.3	-0.4	4.7	5.0	4.4	-0.3	+0.3
239.3	239.7	232.0	-0.4	+7.3	58.7	58.1	56.3	+0.6	+2.4
55.6	55.9	53.8	-0.3	+1.8	7.2	7.2	7.0	+0.0	+0.2
183.7	183.8	178.2	-0.1	+5.5	51.5	50.9	49.3	+0.6	+2.2
27.7	27.5	27.0	+0.2	+0.7	7.7	7.6	7.2	+0.1	+0.5
31.0	31.3	29.3	-0.3	+1.7	8.1	8.0	8.0	+0.1	+0.1
23.2	23.1	21.5	+0.1	+1.7	5.5	5.6	5.7	-0.1	-0.2
62.5	62.8	61.8	-0.3	+0.7	18.3	18.3	17.7	+0.0	+0.6
39.3	39.1	38.6	+0.2	+0.7	11.9	11.4	10.7	+0.5	+1.2
73.6	73.5	74.0	+0.1	-0.4	11.7	11.7	12.2	+0.0	-0.5
243.0	244.5	242.0	-1.5	+1.0	69.3	68.8	66.3	+0.5	+3.0
23.2	23.5	22.0	-0.3	+1.2	6.2	6.3	6.0	-0.1	+0.2
59.8	60.3	61.4	-0.5	-1.6	11.7	11.3	11.5	+0.4	+0.2
59.9	60.2	59.8	-0.3	+0.1	20.2	20.1	19.4	+0.1	+0.8
100.1	100.5	98.8	-0.4	+1.3	31.2	31.1	29.4	+0.1	+1.8
114.6	112.5	112.0	+2.1	+2.6	48.2	45.1	46.4	+3.1	+1.8

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
August 1989

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	14,025	35,550	44,525	12,800	9,075	3,025	5,725
Total Unemployment	2,750	2,400	3,425	1,250	775	225	475
Rate	19.6%	6.8%	7.7%	9.8%	8.5%	7.4%	8.3%
Rate (Seas. Adj.)**	19.0%	7.2%	7.3%	10.1%	8.0%	7.4%	7.2%
Total Employment	11,275	33,150	41,100	11,550	8,300	2,800	5,250

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	13,875	24,350	39,125	10,500	5,450	2,875	3,600
Manufacturing	950	1,600	3,175	1,350	200	50	350
Mining & Quarrying	50	125	150	1,300	0	1,575	75
Construction	950	875	2,000	575	225	175	225
T.C.P.U.	1,700	1,550	2,225	375	175	50	75
Trade	1,675	5,700	10,000	2,225	1,500	225	1,200
F.I.R.E.	400	675	950	275	100	25	100
Services & Misc.	4,425	4,875	11,200	2,200	900	150	900
Government	3,725	8,950	9,425	2,200	2,350	625	675

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	34,100	27,025	39,025	11,525	39,650	49,850
Total Unemployment	1,675	3,425	3,300	2,250	2,250	14,925
Rate	4.9%	12.7%	8.5%	19.5%	5.7%	29.9%
Rate (Seas. Adj.)**	5.0%	11.9%	7.8%	13.4%	6.1%	19.1%
Total Employment	32,425	23,600	35,725	9,275	37,400	34,925

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	22,800	20,250	29,175	9,375	25,700	25,950
Manufacturing	2,600	2,075	4,150	1,250	2,375	2,100
Mining & Quarrying	150	1,175	3,675	0	825	50
Construction	1,950	1,225	1,375	400	2,350	1,425
T.C.P.U.	1,225	1,825	900	525	1,000	1,025
Trade	7,275	4,475	5,275	3,675	7,325	7,525
F.I.R.E.	1,050	375	800	275	1,000	975
Services & Misc.	5,400	5,300	4,000	1,575	6,225	5,950
Government	3,150	3,800	9,000	1,675	4,600	6,900

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.
** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of

Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988
Manufacturing	403.97	409.44	406.14	40.6	40.7	40.9	9.95	10.06	9.93
Aircraft & Missiles	611.83	616.03	INA	44.4	44.9	INA	13.78	13.72	INA
Food & Kindred Prod.	353.08	355.92	334.80	41.2	40.4	40.0	8.57	8.81	8.37
Primary Metals	512.86	516.00	492.54	37.6	37.5	38.6	13.64	13.76	12.76
Machinery	399.33	387.65	415.95	40.5	39.8	40.9	9.86	9.74	10.17
Copper Mining	553.01	564.89	507.98	44.1	45.3	40.9	12.54	12.47	12.42
Construction	431.73	434.38	426.82	36.9	37.0	36.7	11.70	11.74	11.63
Utilities	707.85	703.63	650.25	45.0	42.8	42.5	15.73	16.44	15.30
Retail Trade**	256.12	256.96	248.16	33.7	33.9	33.4	7.60	7.58	7.43
Wholesale Trade	371.33	387.48	398.34	38.6	39.1	40.4	9.62	9.91	9.86

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988
Manufacturing	426.59	431.90	433.88	40.9	40.9	41.8	10.43	10.56	10.38
Construction	453.15	450.38	445.38	37.7	37.5	36.9	12.02	12.01	12.07
Retail Trade**	269.47	270.75	273.14	33.6	34.1	34.1	8.02	7.94	8.01
Wholesale Trade	389.00	404.88	425.80	38.9	39.5	41.1	10.00	10.25	10.36

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988
Manufacturing	365.72	365.57	378.74	38.7	38.4	39.7	9.45	9.52	9.54
Copper Mining	612.37	636.00	598.88	43.4	44.6	42.9	14.11	14.26	13.96
Construction	385.02	389.92	381.55	37.2	37.1	36.9	10.35	10.51	10.34
Utilities	602.57	584.66	597.82	41.7	40.1	42.1	14.45	14.58	14.20

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs August 1989

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,716,817	1,606,351	110,466	6.4
Apache	14,034	11,283	2,751	19.6
Cochise	35,542	33,145	2,397	6.7
Coconino	44,524	41,104	3,420	7.7
Gila	12,812	11,550	1,262	9.9
Graham	9,067	8,304	763	8.4
Greenlee	3,040	2,812	228	7.5
La Paz	5,717	5,238	479	8.4
Maricopa	1,066,034	1,011,816	54,218	5.1
Mohave	34,088	32,425	1,663	4.9
Navajo	27,012	23,592	3,420	12.7
Pima	324,896	307,777	17,119	5.3
Pinal	39,025	35,713	3,312	8.5
Santa Cruz	11,529	9,268	2,261	19.6
Yavapai	39,629	37,388	2,241	5.7
Yuma	49,867	34,937	14,930	29.9

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force In August

(Continued from page 9)

"other durable goods" and "other non-durable goods."

Employment in the service-producing industries expanded by 6,000 jobs in August, primarily due to the gain of 7,200 jobs in government when academic and related personnel returned to work.

Services, which typically is down in August, shrank by 1,000 jobs. The decline, however, is 600 greater than normal. Hotels and motels, "other services," and health services all lost employment.

Employment in trade held steady in August, right on target with its post-recession average. Wholesale trade employment decreased by 300 jobs while retail trade employment posted a 300 increase for no net gain over-the-month.

TCPU employment declined by 300 jobs in August, which represents a less-than-average post-recession loss. The transportation sector gained 300 jobs but was offset by a loss of 600 jobs in the communications and public utilities sectors.

Overall, the month of August was uneventful. In addition, slow growth of 1.4 percent is expected to continue in the near term in line with our earlier forecasts.

—Marc Marra
RA Economist

Table 1. Arizona vs. U.S. Personal and Per Capita Income, 1980-88

	Arizona Personal Income (PI) (In Millions of Dollars)	Growth Rate	Arizona Per Capita PI (Dollars)	Growth (Rate)	Arizona Population (In Thousands)	Growth Rate	Pct. Change of Consumer Price Index[1]
1988	52,220	7.9%	14,970	4.5%	3,489	2.5%	4.2%
1987	48,899	8.8	14,822	4.9	3,400	3.7	3.8
1986	44,786	9.3	13,648	5.3	3,280	3.8	1.9
1985	40,963	11.3	12,958	7.3	3,161	3.7	3.8
1984	36,800	12.4	12,078	9.1	3,048	3.0	4.3
1983	32,750	10.1	11,069	7.3	2,960	2.8	3.2
1982	29,758	8.0	10,314	2.1	2,885	2.7	6.2
1981	28,559	12.9	10,098	10.1	2,809	2.7	10.5
1980	25,091	14.3	9,172	10.2	2,736	3.7	13.5
	U.S. Personal Income (PI) (In Millions of Dollars)	**Growth Rate**	**U.S. Per Capita PI (Dollars)**	**Growth (Rate)**	**U.S. Population (In Thousands)**	**Growth Rate**	**Pct. Change of Consumer Price Index[1]**
1988	4,052,992	7.8%	16,460	6.6%	246,807	1.0%	4.2%
1987	3,766,075	7.0	15,472	6.0	243,419	1.0	3.6
1986	3,519,211	6.1	14,596	5.0	241,107	1.0	1.9
1985	3,317,845	7.0	13,899	6.0	238,788	1.0	3.6
1984	3,101,198	9.4	13,114	8.4	236,477	0.9	4.3
1983	2,834,895	6.4	12,098	5.4	234,284	1.0	3.2
1982	2,666,402	5.0	11,480	4.0	231,996	1.0	6.2
1981	2,514,231	11.5	10,940	10.4	229,857	1.0	10.9
1980	2,254,078	11.1	9,919	9.3	227,256	1.2	13.5

1. U.S. Consumer Price Index (CPI); CPI data for the state of Arizona is not available.

Sources: U.S. Dept. of Commerce, Bureau of Economic Analysis, August 1989; U.S. Dept. of Labor, Bureau of Labor Statistics, August 1989

Arizona Personal Income Growing Much Slower

(Continued from page 8)

Transfer payments represented 14.7 percent of PI in 1988 compared to 14.6 percent in 1987.

How is the well-being of an area determined given 1988 PI numbers? One way is to compare the per capita PI of an area or of a state with other areas or states.

Per capita PI is determined by dividing the total PI by the number of people residing in an area. In computing per capita PI the BEA uses the Bureau of the Census' county population totals as of July 1 of a given year.

Growth in per capita PI followed a trend similar to the growth in total PI. Per capita PI peaked in 1984 when its growth rate was 9.1 percent, but since then the growth rate has been falling. (Table 1)

In 1988, per capita PI was $14,970, compared to $14,322 in 1987, a growth rate of 4.5 percent. However, 1987 and '88, prices, in general, rose. So to find how much of this increase can

(Continued on page 16)

(Continued from page 15)

be considered a real increase, the 1988 per capita PI needs to be adjusted for cost of living, as measured by the US Consumer Price Index (CPI).

After adjusting for the US CPI, real growth in per capita PI was only 0.3 percent. Real per capita PI grew 4.8 percent in 1984 and since then the growth rate has been falling.

Statistics for counties and metropolitan areas for 1987 were also recently released by BEA, but data for 1988 will not be available until next year. Table 2 records per capita PI by county and its percent of the national average.

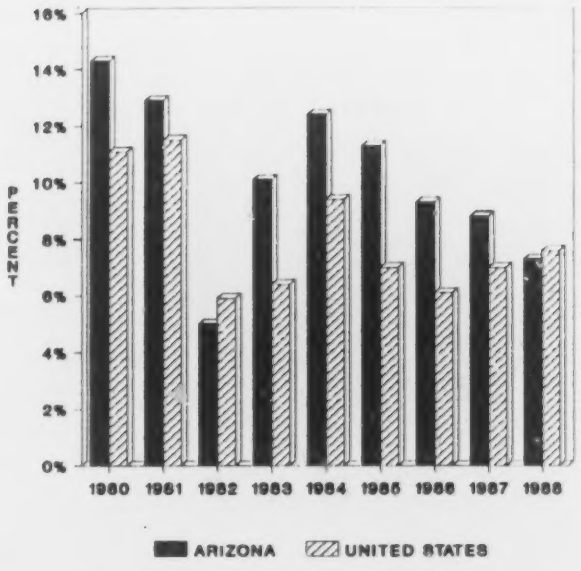
Average per capita PI in Maricopa County (Phoenix Metropolitan Statistical Area (MSA)) increased from $15,424 in 1986 to $16,077 in 1987, a rise of 4.2 percent. Average income in the Phoenix MSA in 1987 was 104 percent of the national average. Average income in Pima County (Tucson MSA) increased from $13,212 in 1986 to $13,845 in 1987, a jump of 4.8 percent. The Tucson MSA's average income in 1987 was 89 percent of the national average.

The real increase in average income in these two metropolitan areas, though, can be approximated by using the CPI in those two cities. In 1987, the Phoenix MSA's CPI increased 4.1 percent, while the Tucson MSA's CPI increased 4.8 percent.

Table 2 also reveals that average per capita income ranges from a low of $6,557 in Apache County to $16,077 in Maricopa County. Also, all of the nonmetropolitan counties except Yavapai County had PIs less than 80 percent of the national average income of $15,489. Apache County residents had PI of only 42 percent of the national average.

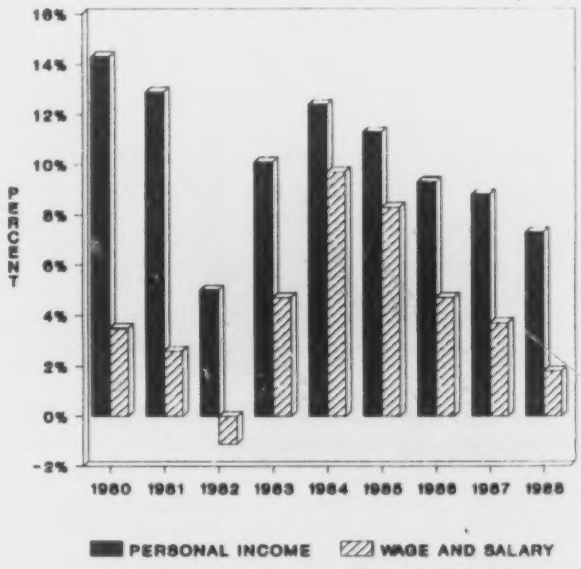
In many instances, an unusually high or low per capita income is not representative of the standard of living in an area and is the temporary result of unusual conditions such as

(Continued on page 17)



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Aug. 1989

Figure 1. Arizona vs. U.S. Personal Income Growth, 1980-88



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Aug. 1989

Figure 2. Arizona Personal Income and Wage and Salary Employment Growth, 1980-88

Table 2. Arizona Per Capita Personal Income by County, 1986-87

	1986 Per Capita Personal Income	Percent of National Avg.	1987 Per Capita Personal Income	Percent of National Avg.
Arizona	13,680	94	14,310	92
Apache	6,369	44	6,557	42
Cochise	9,952	68	10,586	68
Coconino	10,800	74	11,389	74
Gila	9,396	64	9,840	64
Graham	8,164	56	8,787	57
Greenlee	9,602	66	10,304	67
La Paz	9,952	68	11,044	71
Maricopa	15,424	106	16,077	104
Mohave	10,378	71	10,819	70
Navajo	8,152	56	8,608	56
Pima	13,212	90	13,845	89
Pinal	9,509	65	10,121	65
Santa Cruz	10,714	73	11,365	73
Yavapai	12,047	82	12,475	81
Yuma	10,466	72	11,115	72

Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 1988.

(Continued from page 16)

declining construction in the metropolitan areas or a bad harvest season in the rural areas. A construction project, for example, may attract many high-paid workers who are included in the population but send a substantial portion of their wages to dependents living in another area.

Conversely, an area with a large institutional population (residents of colleges or prisons) may show an unusually low per capita income that is not necessarily indicative of the economic well-being of the noninstitutional population. Moreover, population is measured at mid-year, whereas income is measured as a flow over the year. Therefore, a significant change in population around mid-year can cause distortion in the per capita figures.

Another reason that a high or low per capita PI does not reflect living standards is that the cost of living varies in different areas. In addition, there is no truly accurate measure of cost of living. While the cost of living is often estimated by CPI, this measure is somewhat limited in that it is only available for the United States as a whole and some selected metropolitan areas. In addition, the construction of the CPI itself faces criticism because its goods and services components -- and their relative weights -- need continuous revision.

Another important point to be noted is the relationship between total PI, the state budget, and the growth in the government sector. A significant portion of the state budget comes from collection of personal income taxes, which includes individual and business income taxes.

Therefore, as the growth in PI slows, state collection of various income taxes falls, which may cause the state to face a shortfall in revenue compared to its spending (e.g., Arizona). As a result, the state may be forced to cut spending, employment, and future levels of services, unless revenues are increased.

—Jalal Ahmad, Ph.D.
RA Economist

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING - The Army has awarded Mesa-based **Talley Industries** a $48 million contract to build baseburner assemblies, which give artillery units greater firing range. The contract, however, will not increase employment at Talley -- currently 375 -- which won a $16 million contract in 1988 for similar work.

McDonnell Douglas Helicopter Co. of Mesa has received orders this year for 426 commercial and light military helicopters worth a total of $500 million. The orders are split among a series of products -- the MDX, MD 500 and 520N helicopters. Despite the good economic news, McDonnell Douglas, which currently employs about 3,200 workers, laid off 355 employees in May because of an expected decrease in orders from the Army for the Apache attack helicopter.

Motorola Inc. is expected to eliminate several hundred jobs at its Valley plants as part of a nationwide reorganization plan to lay off 2,500 workers. The cuts locally will probably come from Motorola's semiconductor plants in Phoenix (2), Tempe, Chandler and Mesa, which employ about 13,000 of Motorola's 21,000 workers in the Valley.

CONSTRUCTION -- **Phoenix Newspapers Inc.** has chosen **Chanen Construction Co.** to build a $128 million production plant at 19th Avenue and Williams Drive in north Phoenix. Construction of the 254,000-square-foot plant, which will produce *The Arizona Republic* and *The Phoenix Gazette*, is expected to start next spring, with the plant being operational by the summer of 1992.

The Kobel Development Co. of Phoenix is buying the former Phoenix General Hospital building and property, at 19th Avenue and Indian School in Phoenix, with plans to demolish the hospital and build a $9 million shopping center. The 11-acre site will be turned into the 110,000-square-foot **Albertson's Horizon Village**, with the major tenant being a 63,000-square-foot Albertson's supermarket. Construction is expected to be completed by the end of next year.

By a 60-40 margin, **Phoenix voters** turned down a proposed property tax increase to build a **downtown baseball stadium** with hopes of receiving a major league expansion team in 1990. The **city of Tempe**, however, is studying a proposal to build a privately financed stadium on property along the Salt River bed owned by Arizona State University.

The Valley's home-building industry received some good news in August, with **building permits for single-family houses** being 50 percent higher (1,420) than in July (930) and hitting a peak for 1989, says the **Home Builders Association of Central Arizona**. August's figures, however, were down from August of 1988, when 1,532 permits were issued.

TRADE -- Arby's Inc. plans to open an additional 20 restaurants in the Phoenix area during the next five years. The Atlanta-based chain, which specializes in roast beef sandwiches, says sales at metropolitan Phoenix units have averaged $636,000, compared

(Continued on page 19)

(Continued from page 18)

to $610,000 nationally. Most the new units in the Valley will be owned by franchisees, the company says.

Another fast-food chain, **Whataburber Inc.**, also has announced plans to expand in Arizona with the addition of six to eight restaurants in 1990, and more stores in following years. The Corpus Christi, Texas-based chain, is expected to put almost all of its new Arizona stores in the Phoenix area, which already has 20 locations.

Salt Lake City-based **ZCMI** has committed to building two 25,000-square-foot speciality department stores in the Valley, called **ZMCI II**, and is eyeing two other locations. ZCMI (Zions Cooperative Mercantile Institution), which is majority-owned by the Mormon Church, has 12 larger department stores in Utah and Idaho. The two planned stores, which will be located at the **Tri-City Mall** in Mesa and **Scottsdale Pavilions** on Pima Road in Scottsdale, will primarily offer men's and women's clothing, accessories, cosmetics and other speciality items.

FINANCE, INSURANCE and REAL ESTATE - **Security Pacific Corp.** of Los Angeles, parent company of Security Pacific Bank, Arizona, has agreed to move a consolidated credit card center to Phoenix. The center, which will service 1.5 million accounts throughout nine western states, is expected to employ 600 people with an average salary of $23,000.

In a cost-cutting effort, **Valley National Bank**, the state's largest, says it will sell 79 branches located throughout Arizona. Valley recently announced a large operating loss and plans to forego a dividend payment to its stockholders.

SERVICES AND MISCELLANEOUS - **Sprint Services**, which runs U S Sprint long-distance telephone service, has opened a regional operations center in Tempe. The center, which helps customers place calls, currently has 240 employees and is expected to have 400 workers by sometime in 1990.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) -- **Lockheed Corp.** made it official in September that it plans to build a commercial airliner maintenance and modification plant that is expected to employ up to 600 people. Lockheed, which signed a 30-year lease on 55-acres of property at Tucson International Airport, plans to build two 275,000-square-foot hangars, along with other facilities on the airport land. Hiring will begin in April or May of next year, with operations expected to begin in early summer.

Siemens Transmission Systems Inc. has laid off an unspecified number of employees from its research-and-development operations in Phoenix and manufacturing plant in Albuquerque. Siemens, which designs and manufactures telephone transmission equipment, had employed 375 at its Phoenix facility.

GENERAL - The **Arizona Economic Council** has named **P. Scott Eubanks** as the economic development group's president and chief operating officer. Eubanks was formerly head of the Dallas Partnership, a privately funded economic development group that was instrumental in helping bring to the Dallas area the Superconducting Super Collider, as well as the headquarters of GTE Telephone and J.C. Penney. Arizona's group believes Eubanks' expertise will help bring major businesses to the state, including U.S. Memories, a consortium of computer companies that will build high-capacity computer chips. U.S. Memories has selected a site in Phoenix as one of four finalists for the plant.